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State Department review completed

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**TOP SECRET  
CONFIDENTIAL****GENERAL**

1. Soviet concessions in Germany possible--According to Murphy, the Soviets may be in such urgent need of consumer goods from current German production that they would be willing to grant as a quid pro quo an "important measure" of political freedom to the German population in their zone, and take "steps toward economic and financial unity."

**EUROPE**

2. RUMANIA: Soviets' attitude on food shortages--Acting US Representative Melbourne reports that, although the Rumanian food shortage has reached "extremely serious proportions," neither the USSR nor the Groza Government has formulated any plan for needed food imports. Soviet authorities assert that there is sufficient food in the country if proper collection methods are used. They have refused the Government's request for grain and have delayed any relaxation of the armistice deliveries to the USSR that would permit Rumania to pay for imports from other countries. Melbourne believes the Soviets (a) wish to isolate Rumania from Western relief; (b) would welcome widespread disorders as an opportunity to crush the opposition; and (c) will deliver foodstuffs as a propaganda gesture when the opportune moment comes.

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4. GREECE: US opposes arming civilians--The State Department has instructed Ambassador MacVeagh to inform the Greek Government that it believes the practice of arming civilians will only aggravate present conditions in Greece. The Department hopes that the British Ambassador will make similar strong representations, and agrees with MacVeagh that the activities of illegal bands can best be controlled by enlarging the Greek Army and deploying it across lines of communication in the north.

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**NEAR EAST-AFRICA**

5. **IRAN: Qavam's removal favored**--According to Embassy London the British Foreign Office considers that a fair Iranian election is "almost out of the question" and that the chances of finding a strong, honest man to succeed Qavam are practically "hopeless." The British Ambassador at Tehran has been instructed to say, if officially approached, that a change of government in Iran seems to him desirable. US Ambassador Allen has already told the Shah that the Government must be changed if Iran is to remain independent.

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**FAR EAST**

6. **SIAM: Acceptance of French proposal**--In commenting on the Siamese Government's decision to return disputed border territories to France, US Minister Stanton reports that US recommendations and suggestions were plainly an important if not the deciding factor in the decision. He emphasizes that the Siamese unquestionably look to the US for assistance in the proposed rectification of the border and in obtaining fair treatment from the French. He believes that an inequitable settlement would cause uprisings and incidents to continue, undoing the protracted efforts to insure peace and stability in Southeast Asia, and would seriously affect US prestige and influence.
7. **CHINA: Foreign Minister urges quick signing of Commercial Treaty**--Embassy Nanking reports that the Chinese Foreign Minister has expressed "in urgent terms" his desire for early signing of the Sino-American Commercial Treaty. He believes that the projected reorganization of the Chinese Government (following the National Assembly session which is scheduled to convene on 12 November) might cause "unpredictable delay" in Chinese ratification.

- 2 -

**CONFIDENTIAL  
TOP SECRET**

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**THE AMERICAS**

8. **PERU: President opposed to bilateral air base agreement--President Bustamante has told US Ambassador Cooper that he would consider any proposal for future US use of Peruvian air bases but that the agreement should take the form of a collective action at a conference of the American Republics.**
9. **VENEZUELA: Government intercepts arms shipment--The Venezuelan Foreign Minister has informed US Embassy Caracas that Venezuelan authorities have detained a boat discovered near the coast loaded with small arms and ammunition. He added that he has reports that President Trujillo, of the Dominican Republic, is aiding Venezuelan revolutionists**

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- 3 -

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